

## Message Text

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ACTION L-02

INFO OCT-01 ARA-06 ISO-00 EB-07 COME-00 SS-15 SP-02 NSC-05

CIAE-00 INR-07 NSAE-00 H-02 OPIC-03 /050 W

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R 011815Z JUL 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 5729

C O N F I D E N T I A L LIMA 5273

E.O. 11652: GDS

TAGS: BBAK, PFOR, PE

SUBJECT: EXPROPRIATION OF GULF DEL PERU

REFS: STATE 139936, LIMA 04997, STATE 150516, LIMA 5274

1. I DELIVERED OUR NOTE RE GOP'S RECENT EXPROPRIATION OF GULF OIL DEL PERU TO FONOFF SEC GEN GARCIA BEDOYA YESTERDAY (JUNE 30) WITH CHANGES PREVIOUSLY SUGGESTED BY HIM AND APPROVED BY WASHINGTON. I POINTED OUT DIFFICULTIES INVOLVED IN MAKING THOSE CHANGES PARTICULARLY IN DROPPING THE ADJECTIVE "ARBITRARY" WHICH BOTH IN COMMON AND LEGAL PARLANCE SO APTLY DESCRIBED GOP'S ACTION IN THIS CASE. I EXPRESSED HOPE THAT MESSAGE WITH CHANGES WOULD CARRY IMPORT INTENDED WITHOUT LEADING TO UNDUE INFLAMMATION IN RELATIONS. SEC GEN SAID HE SHARED THIS CONCERN AND WOULD MAKE EVERY EFFORT TO HONE REPLY TO AVOID THIS. HE AGREED THAT NATURE OF GULF EXPROPRIATION COULD HAVE NEGATIVE IMPACT ON FUTURE INVESTMENT DECISIONS RELATED TO PERU AND WE SPECULATED AS TO WHAT TYPE OF ACTION GOP MIGHT TAKE TO DISPEL IMPRESSION CREATED. THE RESOLUTION OF THE BRANIFF-AEROPERU PROBLEM OCCURRED TO US TO BE A STEP IN THE RIGHT DIRECTION. I CONGRATULATED SEC GEN ON THE MEASURED TREATMENT BY PERU'S PRESS OF THIS PROBLEM DURING THE RECENT ROUNDS OF NEGOTIATION AS WELL AS IT COVERAGE OF THE FINAL AGREEMENT WHICH HAS BEEN TREATED AS A JUST SOLUTION OF MUTUAL BENEFIT AND NOT AS A GREAT VICTORY FOR PERU OR DEFEAT FOR THE U.S.

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OR "THE FORCES OF IMPERIALISM" AS MIGHT HAVE OCCURRED.

2. I MENTIONED THE PROSPECTIVE NATIONALIZATION OF MARCONA IN PERU AS ANOTHER OPPORTUNITY TO DEMONSTRATE PRUDENCE AND REASONABLE TREATMENT OF FOREIGN INVESTMENT. IM EXPRESSED HOPE THAT THE TALKS I UNDERSTOOD WERE CURRENTLY UNDERWAY BETWEEN THE GOP AND MARCONA WOULD LEAD TO A MUTUALLY ACCEPTABLE AGREEMENT. HE SECONDED THIS HOPE.  
DEAN

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NNN

## Message Attributes

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**Capture Date:** 01 JAN 1994  
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